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December 1, 2008 Agenda Item No. 8a (Discussion)

November 24, 2008

TO: **Local Agency Formation Commission**

FROM: Keene Simonds, Executive Officer

SUBJECT: New Legislation for 2009

The Commission will review a report from staff summarizing the new

legislation affecting LAFCOs that becomes effective January 1, 2009.

Local Agency Formation Commissions (LAFCOs) are responsible for administering the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. LAFCOs are also responsible for helping to administer several other laws, most notably special district principal acts.

A. Discussion

The second year of the 2007-2008 legislative session produced several bills that make substantive changes to LAFCO law or the laws LAFCO helps to administer. These bills become effective January 1, 2009 and are summarized below.

Assembly Bill 1998 (Jim Silva)

AB 1998 changes the responsibility for administering mandatory disclosure requirements associated with political expenditures made in conjunction with change of organization or reorganization proposals from LAFCO to the Fair Political Practices Commission.

Assembly Bill 2484 (Anna Caballero)

AB 2484 expands the definition for changes of organization to include proposals from special districts to (a) provide new services or (b) divest existing services. This bill directs LAFCOs to evaluate these type of proposals in the same manner as other boundary changes, such as annexations, and specifies a latent power can only be activated if it is determined the agency will have sufficient revenues.

Senate Bill 301 (Gloria Romero)

SB 301 eliminates the July 1, 2009 sunset date on providing additional vehicle-license fee (VLF) subventions to newly incorporated cities or cities annexing inhabited territory. This additional funding was initially established under AB 1602 (2006) to backfill the loss in VLF for newly created cities or cities that annex inhabited areas created as part of the 2004-2005 budget agreement codified as part of Proposition 1A.

Senate Bill 1191 (Elaine Alquist)

SB 1191 expands the authority of community service districts to operate and provide broadband services. The bill was supported by the major telecommunication companies and is intended to facilitate the development of broadband services in unincorporated areas before transferring ownership to private entities.

Senate Bill 1458 (Senate Local Government Committee)

SB 1458 represents a comprehensive rewrite of County Service Area (CSA) law. This includes clarifying CSAs are subject to LAFCO jurisdiction.

Senate Bill 375 (Darrell Steinberg)

SB 375 requires California's 17 regional transportation agencies to develop sustainable communities strategies (SCS) to guide smart growth practices for the purposes of reducing vehicle emissions. Projects consistent with the regional SCS would be eligible for additional transportation funding and qualify for an abbreviated review under the California Environmental Quality Act. This bill specifies regional transportation agencies shall consider the adopted municipal service reviews and sphere of influence updates for local agencies within their jurisdiction.

B. Commission Review

Staff respectfully requests the Commission review the pending new legislation and offer any questions or comments.

Attachments: none